

LOCAL PENSION BOARD

FIREFIGHTER PENSION SCHEMES - RISK REGISTER



AGENDA ITEM 4 – APPENDIX 2

Reviewed By		Local Pension Board										
Date Reviewed		January 2021										
Next Review Date		May 2022										
Risk No.	Risk Description	IMPACT Description	LIKELIHOOD Description	Gross Risk Rating			Opportunities	Mitigating Actions and Timeframes	Net Risk Rating			Responsible Person (s)
				IMPACT	LIKELIHOOD	RISK Rating			IMPACT	LIKELIHOOD	RISK Rating	
1	Operational Disaster (e.g Flood, Fire, Cyber Crime) Cyber Crime is on CRR at Medium Risk	High Loss of Pension Data, Loss of Pension contribution information	Medium business continuity procedures need to be in place	4	2	8	Demonstrate adequate BCP arrangements are in place	Up to date business continuity and disaster recovery arrangements are in place at CFB (Scheme Manager) and XPS (Scheme Administrator)	4	2	8	Scheme Manager
2	Pension Payroll data and not being transferred to the Scheme Administrator accurately or in a timely manner. Risk of delay in pension payroll, risk of incorrect pension	High if the pension payroll is delayed or data not transferred correctly for Scheme members	Medium if data is not transferred by Payroll to XPS in an accurate and timely manner	4	3	12	Resilience for pension services and administration has been enhanced with the transfer to XPS	XPS Business Service have pension advisors with excellent knowledge and skills	4	2	8	Scheme Manager, ACFO SPR Scheme Administrator
3	Member Data incomplete or inaccurate	High incorrect data will result in incorrect pension calculations and Annual Benefit Statements and incorrect reporting to Home Office and The Pension Regulator	Medium without clear checks and audits performed on a regular basis, or pension administration documentation unclear of out of date	4	3	12	Demonstrate effective management and administrations of the Fire Pensions Schemes	Scheme membership data undertaken on a regular basis. Internal Audit annually undertaken. Monthly payroll reporting from HBC being established	4	2	8	Scheme Manager, Scheme Administrator
4	Administration process failure/maladministration	High pension administration not undertaken to the required standard	Medium if loss of key staff or inexperienced staff employed to work on pensions	4	3	12	Demonstrate that the Firefighter Pension Schemes are professional administered by competent and qualified staff	Pension administration contract in place with XPS. Scheme of delegation in place, with regular communication with Brigade Pension Advisor. XPS have long standing experience and knowledgeable staff	4	2	8	Scheme Manager, ACFO SPR, Scheme Administrator
5	Annual Benefit Statement (ABS) not produced in time	High pension administration not delivered the Annual Benefit Statements in line with required timescales by TPR / need to report the event (breach) to The Pensions Regulator	Medium if errors are found within pension data or system errors are evident within statements produced or system cannot produce statements	4	3	12	Demonstrate effective administration by production of ABS in line with requirements	For 2021 ABS were issued on time	4	2	8	Scheme Administrator

6	Officers acting outside of delegated responsibility	High Any approval or agreement that is outside of delegated responsibility could lead to additional financial implications for the pension schemes	Medium without clear procedures, delegations and discretions in place	4	3	12	Ensure procedures and policies are in place and adequate	Approved Scheme of Delegation in place. Pension discretions approved by CFA and Scheme Manger	4	2	8	Scheme Manager ACFO SPR Senior Head of People
7	Employer fails to deduct correct pension contributions from Scheme Members	High incorrect pension contribution being recorded and collected	Medium without necessary check and reconciliations being in place	4	3	12	Ensure procedures are in place and adequate	Deduction and rules checked with payroll provider: reconciliation of deduction carried out by Finance on a monthly basis; internal audit review deductions as part of audit scope	4	2	8	ACFO SPR and Head of Finance and Procurement
8	Failure to interpret rules or legislation correctly	High resulting in incorrect pension calculations and estimates	Medium without continued professional development, training and keeping up to date with changes to pension legislation	4	3	12	Ensure procedures are in place and adequate training provided. Effective communication between all parties	Regular attendance at pension training and update events. Regular monitoring of key sources of information e.g. through Fire Pensions Forum and LGA	4	2	8	Scheme Manager, Scheme Administrator, Senior Head of People
9	Annual Statutory Accounts criticised by external auditors / The Pension Regulator	High this would mean that major issues exist with the Management and Administration, and/ or accounting for the Firefighter Pension Schemes	Medium if scheme not administered correctly or financial reconciliation not kept up to date	4	3	12	Ensure pension data is maintained, administered and accounted for correctly	Trained, experienced officers produce the accounts to a detailed timescale. XPS are experienced Pension Administrators. Pension data for the accounts is also provided by the Governments Actuary Departments (GAD)	4	2	8	Treasurer and ACFO SPR
10	Workforce Availability – Potential impact on workforce due to pension change	High Early analysis of the potential impact of the pensions decision indicates that senior and middle ranking officers are likely to be most affected	Medium - dependant on remedy outcome and action taken by CFB	4	3	12	Ensure pension data is maintained, administered and accounted for correctly	To be discussed at the Local Pension Board Meeting and aligned to Corporate Risk outcomes	4	2	8	Scheme Manager and CFA
11	Lack of clarity over Immediate Detriment	High Will depend on the agreed outcomes	High – dependant on the agreed outcomes centrally and then decision taken on way forward by CFB	4	4	16	Ensure Pension Board and CFA have up to date information	Pension Board to be updated on current position at Board meetings	4	3	12	Scheme Manager and Treasurer CFA